

AMENDED IN SENATE MARCH 27, 2003

SENATE BILL

No. 413

Introduced by Senator Speier

February 20, 2003

An act to amend Section 9757.5 of the Welfare and Institutions Code, relating to health insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 413, as amended, Speier. Health insurance counseling: fees.

Existing law requires the California Department of Aging to assess annually a fee of not less than \$0.70, but not more than \$1, on a health care service plan for each person enrolled with a health care service plan as of December 31 of the previous year under a prepaid Medicare program that serves Medicare eligible beneficiaries within the state to offset the cost of counseling seniors on health maintenance organizations, and would transfer the money to the State HICAP Fund for implementation of the statewide Health Insurance Counseling and Advocacy Program, upon appropriation by the Legislature.

This bill would ~~require~~ *permit* the department to increase the amount of the fee to ~~\$1, but~~ not more than ~~\$2~~ *\$1.20*, and *would require the department* to also assess the fee annually on ~~insurers~~ *a health care service plan* for each ~~person~~ *enrollee* insured under a Medicare ~~Select policy or certificate~~ *supplement contract, including a Medicare Select contract*, as of December 31 of the previous year.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 9757.5 of the Welfare and Institutions Code is amended to read:

9757.5. (a) The California Department of Aging shall assess annually a fee of not less than ~~one dollar (\$1)~~, *seventy cents (\$0.70)*, but not more than ~~two dollars (\$2)~~ *one dollar and twenty cents (\$1.20)*, on a health care service plan for each person enrolled in a health care service plan as of December 31 of the previous year under a prepaid Medicare program that serves Medicare eligible beneficiaries within the state, and on ~~an insurer~~ *a health care service plan* for each ~~person enrollee~~ insured under a Medicare ~~Select policy or certificate supplement contract, including a Medicare Select contract,~~ as of December 31 of the previous year, to offset the cost of counseling seniors on the benefits and programs available through health maintenance organizations instead of the traditional Medicare provider system.

(b) All fees collected pursuant to this section shall be deposited into the State HICAP Fund for the implementation of the Health Insurance Counseling and Advocacy Program, and shall be available for expenditure when appropriated by the Legislature.

(c) The department may use up to 7 percent of the fee collected pursuant to subdivision (a) for the administration, assessment, and collection of that fee.

(d) It is the intent of the Legislature, in enacting this act and funding the Health Insurance Counseling and Advocacy Program, to maintain a ratio of two dollars (\$2) collected from the Insurance Fund to every one dollar (\$1) collected pursuant to subdivision (a). This ratio shall be reviewed by the Department of Finance within 30 days of January 1, 1999, and biennially thereafter to examine changes in the demographics of Medicare imminent populations, including, but not limited to, the number of citizens residing in California 55 years of age and older, the number and average duration of counseling sessions performed by counselors of the Health Insurance Counseling and Advocacy Program, particularly the number of counseling sessions regarding prepaid Medicare programs and counseling sessions regarding Medi-Gap programs, and the use of other long-term care and health-related products. Upon review, the Department of Finance shall make recommendations to the Joint Legislative Budget Committee

1 regarding appropriate changes to the ratio of funding from the
2 Insurance Fund and the fees collected pursuant to subdivision (a).

3 (e) It is the intent of the Legislature that the revenue raised from
4 the fee assessed pursuant to subdivision (a), and according to the
5 ratio established pursuant to subdivision (d), be used to partially
6 offset and reduce the amount of revenue appropriated annually
7 from the Insurance Fund for funding of the Health Insurance
8 Counseling and Advocacy Program.

9 (f) There shall be established in the State Treasury a “State
10 HICAP Fund” administered by the California Department of
11 Aging for the purpose of collecting fee assessments described in
12 subdivision (a), and for funding the Health Insurance Counseling
13 and Advocacy Program.

